

Message Text

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ACTION AF-08

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PA-02 SIL-01 USIA-15 PRS-01 /046 W

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P R 270909Z AUG 76

FM AMEMBASSY MBABANE

TO USDOC WASHDC PRIORITY

INFO AMEMBASSY ACCRA

SECSTATE WASHDC 106

AMEMBASSY PRETORIA

AMEMBASSY JOHANNESBURG

AMEMBASSY GABORONE

AMEMBASSY MASERU

AMEMBASSY MAPUTO

UNCLAS SECTION 1 OF 3 MBABANE 1481/1

FOR BIC/OIM/SAD: RLPETERSON

E.O. 11652: N/A

TAGS: ETRN, BEXP, WZ, EFIN

SUBJECT: COMMERCIAL PROGRAM: US OFFICE MACHINES CATALOG

SHOW- FINAL REPORT

1. STATISTICAL SUMMARY

EVENT: US OFFICE MACHINES, EQUIPMENT AND SUPPLES CATALOG

SHOW

PLACE: AMERICAN EMBASSY, MBABANE, SWAZILAND

VENUE: ROYAL SWAZI SPA

DATES: AUGUST 24-25, 1976

US PARTICIPANT: 46

NUMBEROF EXPRESSIONS OF INTEREST IN US PRODUCTS

RECORDED: 49

BREAKDOWN: A) DIRECT PURCHASE: 43

B) AGENCY: 1

C) TOPS: 5

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VISITORS: 56

BREAKDOWN: A) OPENING RECEPTION: 35

B) INDIVIDUALS REGISTERING: 21

C) FIRMS/ ORGANIZATIONS SENDING REPRESENTATIVES TO EXHIBITION: 18

NUMBER OF US PARTICIPANTS IN WHOSE PRODUCTS THERE WAS AT LEAST ONE EXPRESSION OF INTEREST: 24

2. EQUIPMENT IN SHOW FOR WHICH THERE APPEAR TO BE BEST PROSPECTS IN MARKET: PHOTCOPYING EQUIPMENT; MINICOMPUTERS; DATA ENTRY EQUIPMENT; PRINTING AND DUPLICATING MACHINES; FILING EQUIPMENT/SYSTEMS; INCATING MACHINES; FILING EQUIPMENT/SYSTEMS; DICTATING EQUIPMENT/SYSTEMS; MESSAGE RECORDERS; SPECIALIZED FILE STORAGE EQUIPMENT/SYSTEMS; MOBILE DESK FILE EQUIPMENT; SECURITY STORAGE EQUIPMENT FOR RECORDS; DUPLICATING EQUIPMENT; NON-PRESTIGE OFFICE FURNITURE; SYSTEMS FOR ORGANIZATION AND CONTROL OF DATA PROCESSING DOCUMENTATION; COLLATOR-BINDER SYSTEMS; MAGNETIC TAPE RECORDERS WITH READ-OUTS.

3. EQUIPMENT IN SHOW FOR WHICH THERE APPEAR TO BE MODEST PROSPECTS IN MARKET; OFFICE CLOCKS; STAPLING AND SHIPPING ROOM EQUIPMENT; HOME AND OFFICE DESK ACCESSORIES; OFFICE AND AUDIT SUPPLIES INCLUDING TYPING CORRECTION FLUID; OFFICE MACHINES (EXCEPT TYPEWRITERS) INCLUDING: ADDING AND CALCULATING MACHINES ESPECIALLY MECHANICAL.

4. EQUIPMENT IN SHOW FOR WHICH MARKET PROSPECTS APPEAR TO BE POOR; COMMUNICATION EQUIPMENT; TELEPRINTERS; CASH REGISTERS AND SYSTEMS; SPECIALIZED FOLLORING; PLOTTERS; PRICING EQUIPMENT; TYPEWRITERS; ADDRESSING MACHINES; CARD PUCH MACHINES; MOTORIZED STAPLING EQUIPMENT) ELECTRONIC DIRECTORIES.

5. EQUIPMENT AND SUPPLIES NOT IN SHOW FOR WHICH THERE APPEAR TO BE GOOD MARKET PROSPECTS: PLANT AND PERIMETER SECURITY EQUIPMENT INCLUDING SURVEILLANCE AND MONITORING EQUIPMENT; PERSONNEL CONTROL SYSTEMS/ EQUIPMENT; VIDEO AIDES PARTICULARLY FOR USE IN TRAINING PROGRAMS; PHOTO ENLARGING EQUIPMENT; PHOT COPYING EQUIPMENT WITH UNCLASSIFIED

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REDUCTION CAPABILITY.

6. SPECIAL TRADE AND MARKETING PROBLEMS AND OPPORTUNITIES.

THE SWAZI MARKET FOR OFFICE EQUIPMENT AND SUPPLIES IS SMALL. PROSPECTS FOR GROWTH IN THE NEAR/SHOR TERM ARE MODEST.

THE MOST SIGNIFICANT MARKETING PROBLEM IS TO

PROVIDE SERVICE, PARTS AND TO OBVIATE DOWN-TIME THROUGH
PROPER TRAINING OF SERVICE TECHNICIANS. TO A MAN,
OFFICIAL AND BUSINESS VISITORS FOCUSED ON THESE POINTS.

THE CURRENT AVAILABILITY OF A BASE OF FIRMS TO
SERVE AS POTENTIAL AGENTS/DISTRIBUTORS AND SERVICE
ORGANIZATIONS IS SOMEWHAT DISCOURAGING. NEVERTHELESS,
A START HAS BEEN MADE THROUGH THIS EVENT BY PROVIDING
WTDR QUESTIONNAIRES TO PROSPECTIVE FIRMS WHICH, WHEN
COMPLETED, MAY SERVE AS A START OF THE WTDR/FTI DATA
BANK FOR USE BY INTERESTED US FIRMS SEEKING TO FOLLOW
UP ON THE MARKET OPPORTUNITIES WHICH HAVE BEEN
DEVELOPED.

IMPACT OF THE PROXIMITY OF THE REPUBLIC OF SOUTH AFRICA

THE IMPACT OF THE PROXIMITY OF THE REPUBLIC OF
SOUTH AFRICA (RSA) ON THE DEVELOPMENT OF AGENCY/
DISTRIBUTORSHIP AND SERVICE ORGANIZATIONS IS OVER-
SELLING OFFICE EQUIPMENT AND SUPPLIES IN THE SWAZI MARKET
DO SO THROUGH SMALL SATELLITE OPERATIONS IN NEARBY
TOWNS IN THE RSA OR THROUGH THEIR MAIN OFFICES IN
JOHANNESBURG. EVEN THESE SERVICES, HOWEVER, ARE SEEN
BY END-USERS HERE TO BE MARGINAL. THERE ARE ONLY A
HANDFULL OF OFFICE EQUIPMENT DEALERS AND SUPPLIERS ON
SITE IN THE SWAZI BUSINESS CENTERS. ALMOST ALL SERVICE
(OTHER THAN THE MOSE DODEST) IS HANDLED BY OR FOR THESE

THE SWAZI GOVERNMENT IS THE LARGEST BUYER OF
OFFICE EQUIPMENT AND SUPPLIES. PURCHASES ABOVE
RAND 2,000 MUST BE DONE BY SWAZI GOVERNMENT TENDERS

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INFO AMEMBASSY ACCRA

SECSTATE WASHDC 107

AMEMBASSY PRETORIA
AMEMBASSY JOHANNESBURG
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WHICH ARE REGULARLY REPORTED BY THE EMBASSY, AND
THE JOHANNESBURG CONSULATE GENERAL ALSO CIRCULATES
SIGNIFICANT TENDERS TO US AFFILIATES IN THE RSA.
WE HEARD DURING THE SHOW OF ONE GOVERNMENT TENDER
FOR FIFTY TYPEWRITERS WHICH MAY NOT OCCUR AGAIN
FOR SOME TWO YEARS.

THE PRIVATE SECTOR IS SMALL BUT GROWING.
THE SUGAR, PULP, FRUIT CANNING AND MINING INDUSTRIES
ARE THE LARGEST BUSINESSES IN THE COUNTRY. TOURISM AND ITS
ASSOCIATED HOTELS/
RESTAURANTS ARE IMPORTANT AND ARE EXPANDING.
THE SUGAR ASSN REPORTS THAT A 3RD MILL IS PRO-
GRAMMED FOR CONSTRUCTION STARTING IN 1977/78 AT
A COST OF RAND 120 MILLION. (TATE AND LYLE- LONDON
ARE PROJECT MANAGERS). THE MILL AT MHLUME IS NOW
COMPUTERIZED; THE MILL AT UBOMBO RANCHES IS NOW
CONSIDERING THE TYPE OF COMPUTER PROGRAM TO ADOPT.
THE ASSN REPORTS NO PROBLEMS WITH FIFER VESSELS
MOVING 68,000 TONE OF SUGAR THROUGH MAPUTO IN LAST
FIVE WEEKS.

LIBBY SWAZILAND JUST COMPLETED A RAND 250 THOUSAND
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EVAPORATOR IN MAPUTO FOR ITS FROZEN ORGANGE JUICE
SHIPMENT TO THE UK WHICH IS REPORTS TO BE GOING
REASONABLY SMOOTHLY. USUTU PULP IS CONSIDERING
EXPANSION OF ITS COMPUTERIZATION PROGRAM TO IMPROVE
CONTROL, PAYROLL AND PRODUCTION DATA. IT REPORTS
11, 000 TONS OF PULP PER MONTH TO BE MOVING SMOOTHLY
THROUGH MAPUTO TO TIS CCSTOMERS IN JAPAN, SOTH
AMERICA, TAIWAN, ITALY AND SOTH KOREA.

OUR BEST ESTIMATES ADMITTEDLY ON A SKETCH
SAMPLING AND THAT THE TYPICAL LOCAL FIRM HAS A BUDGET
OF SOME RAND SEVEN THOUSAND PER YEAR FOR OFFICE
SUPPLIES AND EQUIPMENT. ONE OF THE AUDIT/ACCOUNTING
FIRMS REPORTED THAT IT CURRENTLY AUDITS THE ACCOUNTS
OF 600 BUSINESSES, IS THE LARGEST IN THE COUNTRY AND THAT
THERE ARE THREE OTHERS IN THE ACCOUNTING FIELD. THERE
IS SOME OVERLAPPING IN THESE FIGURES SINCE SOME ARE
MULTI-ACCGUNTS

CONVERSATIONS WITH THE DIRECTOR OF THE
NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION (NIDC)

SUGGEST THAT ITS PROGRAMS ARE NOW ATTRACTING AN EVER GROWING NUMBER OF OVERSEAS PRIVATE INVESTORS INTO SWAZILAND. ITS CURRENT FIGURES ARE THAT RAN 10 MILLION OF NIDC FUNDS ARE BEING INVESTED WITH 15 MILLION FROM PRIVATE INVESTORS IN A WIDE RANGE OF NEW INDUSTRIES WHICH SHOULD MOVE INTO THE VIABLE STAGE IN THE NEXT SEVERAL YEARS.

INDEED, CONVERSATIONS WITH A NEWLY LOCATED (WITHIN THE PAST THREE MONTHS) TAIWAN-BASED FIRM IN THE MATSAPA INDUSTRIAL PARK NEAR MANZINI SUGGESTS THAT THE NIDC PROGRAM IS INDEED BEGINNING TO PAY OFF. THE TAIWAN FIRM IS IN LOW-PRICED CUTLERY AND ALREADY HAS FULL ORDER BOOKS FOR THE EEC MARKET AND IS USING THE GSP AS ITS ENTREE INTO THE MARKET. IT IS IMPORTING JAPANESE METAL FOR ITS STAMPING/CUTTING OPERATIONS AND SEES NO MARKET WHATSOEVER IN THE RSA FOR ITS PRODUCT NOR ANY IN THE NEAR TERM IN THE AFRICAN COUNTRIES NORTH OF THE ZAMBESI RIVER. THE NIDC SUGGESTS THAT THE GSP WILL BE A REAL BOOST TO THE DEVELOPMENT OF SMALL INDUSTRIES IN SWAZILAND IN THE YEARS AHEAD AND WILL ASSIST IN WANNING IT AWAY FROM ITS DEPENDENCE ON THE RSA.

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7. VISITOR INTEREST AND REACTION.

VISITOR INTEREST - AND PARTICULARLY BY OFFICIAL SWAZI MINISTRY REPRESENTATIVES- WAS GOOD. MANY OF THE MINISTRY OFFICIALS AT THE OPERATING LEVEL CAME WITH THE PURPOSE OF SEEKING ASSISTANCE IN "PROBLEM SOLVING." FOR EXAMPLE, IN THEIR FILING SYSTEM PROGRAMS. IN THE PRIVATE SECTOR, END-USERS PRE-DOMINATED AND EXPRESSED KEEN INTEREST IN US PRODUCTS. PRIVATE BUSINESS REPRESENTATIVES WILL BUY; HOWEVER, THEY (LIKE THE OFFICIAL REPRESENTATIVES) ARE KEENLY INTERESTED IN AFTER-SALES SERVICE, PARTS AND REPLENISHMENT. US EQUIPMENT IN THIS FIELD IS ACCEPTED AS BEING GOOD AND ADVANCED AND SERVICEABLE AND VISITORS EXPRESSED INTEREST IN WHAT WILL FOLLOW FROM THE EXHIBIT.

8. VENUE, POST SUPPORT AND MARKETING PROGRAM.

THE VENUE WAS GOOD. IT REPRESENTED THE OPTIMUM SITUATION SITUATED AS IT WAS MID-WAY BETWEEN THE CITIES OF MBABANE AND MANZINI. THE EMBASSY- GIVEN ITS 100 PER CENT TURNOVER IN THE PAST FEW MONTHS- IS TO BE COMMENDED FOR ITS WHOLE-HEARTED SUPPORT OF THIS EVENT. FALLING IMMEDIATELY BEFORE THE OPENING

OF THE US PAVILION AT THE SWAZILAND TRADE FAIR IN
MANZINI, THE EXHIBIT STRAINED ITS RESOURCES BEYOND
THE BREAKING POINT. THE MARKET DEVELOPMENT PROGRAM
ACHIEVED REASONABLY GOOD RESULTS. THE ADVERTISEMENT OF
THE EXHIBIT IN THE COMMERCIAL NEWSLETTER FOR SOUTHERN
AFRICA TWO MONTHS BEFORE THE EXHIBIT AND THE TARGET
LETTER TO KEY OFFICIAL AND BUSINESS VISITORS
GENERALLY ACHIEVED THE RESULTS DESIRED. THE CATALOG
OF EXHIBITORS WAS AN OUTSTANDING JOB. CLEAN, CONCISE
AND READABLE. IT SHOULD ACHIEVE RESULTS IN FOLLOW-UP
INTEREST IN THE MONTHS AHEAD FOR PARTICIPATING US FIRMS.

9. CONCLUSIONS: THE EXHIBIT WAS WELL WORTH THE EFFORT.
IT SERVED SEVERAL PURPOSES. IT SERVED AS A MARKET TEST
FOR US PRODUCT/EQUIPMENT. IT MADE AN INITIAL SORT OF THE
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RANGE OF US OFFICE SUPPLIES AND EQUIPMENT FOR WHICH THERE ARE FROM GGOD TO MODEST MARKET PROSPECTS AND THOSE FOR WHICH THERE ARE NO MARKET PROSPECTS. IT DEVELOPED THE COMMERCIAL INTELLIGENCE THAT THERE CAN BE NO SIGNIFICANT EXPANSION OF US SALES IN THE FIELD WITHOUT FURTHER INVESTMENT AND MARKET TESTING BY US FIRMS. GIVEN THE POLITICAL/ECONOMIC/ SOCIAL IMPORTANCE OF SOUTHERN AFRICA AT THIS TIME, IT MET THE NEED TO SHOW THE US OFFICIAL AND PRIVATE INTEREST IN EXPANDED BUSINESS WITH SWAZILAND. US PARTICIPANT IN WHO PRODUCTS INTEREST WAS EXPRESSED WILL BE APPRISED OF THE SPECIFICS BY THE MEBASSY IN MBABANE AND THE CONSULATE GENERAL IN JOHANNESBURG. BASED ON THESE DATA, THESE US FIRMS MAY MAKE AN INFORMED JUDGEMENT OF WHERE TO GO FROM HERE AT MODEST COST.

OFFICIAL SWAZI GOVERNMENT RESPONSE WAS GOOD. THE EXHIBIT WAS BROUGHT TO THE ATTENTION OF EVERY MINISTRY AND OFFICERS AT THE OPERATING LEVEL RESPONDED WELL. WE JUDGE THAT FUTURE US EXHIBITS WILL BE EQUALLY WELL RECEIVED AND THAT, AS THE PRECISE MARKET AREAS ARE UNCLASSIFIED

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IDENTIFIED, EXPANDED US SALES CAN BE REALIZED.

THE COMMERCE DEPARTMENT INDUSTRY TRADEREPRESENTATIVE (IRT) NOMAN D. MCLENNEN WAS OF GREAT ASSISTANCE. THE IRT WAS ABLE TO INTERPRET DEVELOPMENT IN US INDUSTRY WHICH WERE OF ASSISTANCE TO OFFICIAL AND BUSINESS VISITORS WITH PROBLEM-SOLVING TYPE QUESTION. HIS FAMILIARITY WITH THE PRODUCTS OF THE PARTICIPATING FIRMS ALSO SERVED TO FACILITATE THE VISITORS' EXAMINATION OF THE CATALOGS.

BECAUSE THE BULK (AND FOR OFFICE EQUIPMENT AND SUPPLIES ALL THE IMPORT REQUIREMENTS OF SWAZILAND COME THROUGH THE RSA, THE PROVISIONS OF THE RSA'S RECENTLY IMPOSED 20 PER CENT IMPORT DEPOSIT SCHEME APPLY TO ALL SUCH EQUIPMENT AND SUPPLIES BROUGHT INTO SWAZILAND VIA THE RSA. WACHOB

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